ORIGINAL

COMMONWEALTH OF PENNSYLVANIA
PUBLIC UTILITY COMMISSION

Doris A. Buckner :
: Docket #: Z-01196423
- vs - :
:
PECO Energy Company :

RECEIVED

OCT 27 2003

PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

Initial telephonic Hearing
Pages 80 through

Room 1302
State Office Building
1400 Spring Garden Street
Philadelphia, Pennsylvania
Tuesday, September 23, 2003
Commencing at 10:00 p.m.

Before:

Allison K. Turner, Administrative Law Judge

APPEARANCES:

DOCKETED
OCT 30 2003

Doris A. Buckner
1230 Hall Avenue
Roslyn, Pennsylvania 19001

Priya Sankar, Esquire
2301 Market Street, Suite S23-1
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* * *

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23

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* * *

PROCEEDINGS

* * *

THE COURT: Now is the time for a further hearing in the matter of Doris A. Buckner versus PECO Energy Company. And I convened this hearing, because I received additional documents from Ms. Buckner. It was way back in April.

MS. BUCKNER: March.

THE COURT: I received them in April.

MS. BUCKNER: Okay. I did send them out in March.

THE COURT: Right. The court reporter is having a lot of trouble hearing you. So can you keep your voice up?

MS. BUCKNER: Yes.

THE COURT: I received the documents. PECO was to respond in two weeks, and my records didn't show a response.

Now, Ms. Sankar said that she remembered talking to me and telling me that she did not have an objection. I did remember talking to her, but I didn't remember her statement about the objection.

And so, Ms. Sankar, I have to caution you in the future to send things in in writing and not to rely on my memory.

MS. SANKAR: Yes, your Honor.

THE COURT: Now, what I have here is entitled Exhibit-B. It's a U.S. Individual Tax Return for 1999.

And is it true that you do not have an objection to entering this into the record, Ms. Sankar?

MS. SANKAR: I do not object.

THE COURT: And, Ms. Buckner, you submitted this exhibit to make a certain point. What was that point?

MS. BUCKNER: The point was on the 1099 --

MS. SANKAR: Your Honor, I can't hear Ms. Buckner.

THE COURT: We can't hear her very well either.

MS. BUCKNER: The point was on 1099 --

THE COURT: Can I ask you to repeat your statement. You were telling what the point was of submitting this.

MS. BUCKNER: Showing what the gross sales was, what PECO was dividing it by, and what the record was that they didn't have no copy of sent in from Norristown, that was sent a couple of times. And I think Mr. Costello said they never received that, where the people I talked to said they received it. So they had not received anything in '99 is what they were telling you before.

THE COURT: So this was to

provide them with a copy of something they said they didn't have.

MS. BUCKNER: Right.

THE COURT: And the point was you were describing before was there was a certain amount that would have to be divided?

MS. BUCKNER: It seems the way they do it is they divide it by 12. So if you look at that $11,164.82 and divide that by 12, that comes to $930.33.

THE COURT: And so --

MS. BUCKNER: Which is under the $1,015. And what they were saying was we were over it. I think somebody was calculating on -- I don't know if they were calculating it on the sales before the course of buying the paper to print, to give the bills to. They might have been using the $16,000. So we double checked with the records that I received a fax on March 28th, and I sent it to you, and all those things multiply out.

THE COURT: I'm looking at the third page of this Exhibit-B, and it shows gross profit $11,164.82.

MS. BUCKNER: Right.

THE COURT: And you're saying that should be divided by 12?

MS. BUCKNER: Yes. And that's how that gets up the monthly total.

THE COURT: You're saying that's the correct way to do it?

MS. BUCKNER: It's not the correct way really to do it, because when you buy -- when you sell something, it costs you something to do it. It costs you so much in ink supplies, repair, maintenance. It costs you so much in shipping it and stuff like that. But they only take the top figure of what your income tax shows and divide it by 12. That's the way they explained it to me.

THE COURT: Who is "they"?

Was that PECO?

MS. BUCKNER: It wasn't really PECO. They have a place called Universal Services that figures everything out, and they must have changed everything around in '99, 2000, because the other years there was no problem. I've had the 50 percent rate except for the 2000 year, the end of '99, November, December and all of 2000 and 2001. It used to be sent to PECO at Market Street to a girl, and we -- our sales were higher other years. Back in '96, '97, '98 our sales were much higher, but they had a different way of calculating it. And what we take out for a -- if there is any money left at the end of the month, we take out $100 or $125. So that's what we're kind of living on. And it used to be the cap was $40, $42, different amounts each year depending on what our income was that we were taking out. Then they changed it.

THE COURT: Slow down a minute, Ms. Buckner. You're going way too fast, and you're way ahead of the question.

What you're saying is that PECO must calculate your monthly income by dividing $11,164.82 by 12, and it comes out to -- I don't know what the amount is.

MS. BUCKNER: $930.33.

THE COURT: And you're saying that doesn't take account of enough of your expenses.

MS. BUCKNER: Yes. That's the way that tells me out at --

THE COURT: Okay. So how do you --

MS. BUCKNER: Out at Norristown.

THE COURT: How do you --

MS. BUCKNER: That's still under --

THE COURT: Okay. Wait a

minute. How do you think it should be calculated?

MS. BUCKNER: Well, self-employment always gets a different calculation than individuals going out working.

THE COURT: Just answer my question. Ms. Buckner, please just answer my question. How do you think it should be calculated?

MS. BUCKNER: How? They should take from the income tax on the front it actually shows what the profit is, on the front of the 1040. It shows how much money was taken out, the $1,490.18, and what the difference was on the schedule C. And you divide that $1,544 by 12. You maybe get like $125, $130. Somebody was just looking at the $1,490 and saying that's what you make a month, not a year.

THE COURT: So you think it should be based on $1,544.99?

MS. BUCKNER: Well, that's

what I tried to convey to them, and nobody would tell me how they figured it out.

THE COURT: Okay. Well, they may just disagree with you. I just wanted to know how you think it should be figured out.

And if I look at -- back at that same page where the $11,164 is, there is a figure at the top of that column which is gross receipts for sales.

MS. BUCKNER: Right.

THE COURT: $16,699, and then there is subtraction of $5,534, which is cost of goods sold.

MS. BUCKNER: Yes. That is the inventory difference of the paper that you buy, not including how much it costs to ship it out or how much the interest is on that paper of the charge card when we charge it. And then there is interest expense that is not included in there. It's actually a false figure.

THE COURT: Excuse me, Ms. Buckner. I understand. I understand your point.

And, Ms. Sankar, do you have any questions at this point?

MS. SANKAR: Maybe a couple.

THE COURT: Okay.

MS. SANKAR: Yes, I do.

THE COURT: Is Mr. Costello with you today?

MS. SANKAR: Yes, he is.

* * *

CROSS-EXAMINATION

* * *

BY MS. SANKAR:

Q. Ms. Buckner, I'm looking at the third page with income and expenses.

A. Schedule C.

THE COURT: Is that what schedule C is? Yes.

BY MS. SANKAR:

Q. Line 24 for expenses, travel, meals and entertainment you have there $1,124.40. Can you explain why you deducted that?

A. Each month my husband or myself makes up a sheet of what places we go to pick up a job and deliver a job. And some months the mileage could be 300, 200 miles. He has different sheets. You multiply that by the going rate of which, is like 32 cents, 30 cents. It might be 35 now. The difference gap going up or down. And then plus in there there might be stuff that he had to stop by and pick up for the press, or some photographic art stuff, paper, ink, stuff to do the work and everything. So at the end of the month -- beginning of the following month or when there was money available, I write a check. And then that check is then used on the charge card to pay them off on Texaco, Exxon, Discover, whatever. That money is -- because I don't show on there under car and truck expense on number ten, like some people would do, because it's not a leased car or anything to the business. So that is reimbursement. If you go over the turnpike, you have tolls. We have to go pick up our paper at different places. It might be 15 miles, ten miles to go back and forth. That's what that is. That has nothing to do with salaries. It does cover the car auto expense or the insurance that's taken out monthly out of that.

Q. And do you ever use that car for personal reasons?

A. Yes.

Q. How do you, I guess, differentiate between the two?

A. I don't put miles down when I'm going personally. If I'm going to a doctor or to an aunt's, that mile isn't put down on the travel expense sheet. The miles, if there is 200 miles a month, like 20 days a month, and you're going ten miles, 20 miles, that will be put down. And that money covers that. For the gas slip in the auto, I'm just reimbursing the gas card that has been charged. If I had a regular charge, Exxon or Texaco, just charging all the time then personally you would have to take a percentage for personally using it or the business using it. Like, two checks out of that one charge. I'm not doing it that way.

Q. What is other business property? Line 20-B.

A. Yeah. That was the Exontae (ph) plate maker. I think we were paying $150, maybe $175 a month. That was a laser printer that we bought to make a plate. We scan the customer's original, and we get a copy out. And then it goes through the computer process in ten minutes and out comes the plate that gets edged and put on the printing press to be able to print the job. That was a two-year lease. So that was probably on '98 and probably '97. I think our camera went in February or March of '97. And we bought something for two years. That was the monthly payment. Something like this is our cost to do a job. That's the finished payment.

THE COURT: Excuse me, Ms. Buckner, and excuse me Ms. Sankar. This is a '99 return. And you said that you had a two-year lease from '97 to '98, so why is this --

MS. BUCKNER: No. That $475

is maybe only a three month payment, like January, February and March.

THE COURT: We're not talking about 20-A. We're talking about 20-B, "other business property."

MS. BUCKNER: Oh, I'm sorry. I thought she said 20-A. Other business property, just what it says, that's rent. That's our rent that we pay for the office that my husband has on E where it says business address, 2758 Mt. Carmel Avenue. That's $360-something a month, whatever, he pays for that business property. That's what that is, rent, office rent.

THE COURT: Okay. Was I correct, Ms. Sankar, you were looking for 20-B?

MS. SANKAR: Yes. I was looking for 20-B.

MS. BUCKNER: It sounded like "A" when you said it. I just thought because it was an odd amount.

BY MS. SANKAR:

Q. Can you explain what repairs and maintenance for line 21?

A. Without getting out a pile of bills and sending you copies of it, if a pressman comes in, we need new rollers, you have to put them in the machine. When we buy some graphic art stuff, ink. In the place we rent we already had to put four-foot-long cylinder lightbulbs in. The door we had a problem with one time, water faucet, toilet. Anything that has to do with repairs and maintenance besides the building. Maybe ten percent of that is part of the building. But the rest would be we have AB Dick 360 and an AB Dick 350, and both those presses require different rollers. A man comes in. And maybe they're $75 an hour to replace the stuff and to put it back in the press. And buying different nuts and bolts and everything, we go to the hardware stores. We try to do what we can on our stuff.

THE COURT: Okay. I think that's a sufficient answer.

MS. SANKAR: Yes.

BY MS. SANKAR:

Q. Does that include any car repairs?

A. No. Any car repairs we need when we get inspected once a year, that would be a personal check, which would come out of the traveling expenses. In most businesses people will deduct so much for gas. They give somebody all their gas slips. Everybody all their repairs, their tires, oil, everything. This way you only charge for the miles that you're going places, and that money covers if you have inspection. That's what I'm saying, there is nothing on there. That does not have repairs and maintenance, anything with the car.

Q. Okay. Line 15, "insurance," what insurance is that for?

A. That's the fire, business property, fire insurance on the different -- some equipment we have, they have an insurance policy that if you any problems with your plate maker, you don't have to pay that big of a fee. Most of it is for the rental property, the office. They have a minimum. They used to have it before where they would charge you $250.

Some places want $500. They don't care if you say, I have $15,000 worth of equipment, or $75,000 worth of equipment. They have a flat fee that the insurance company charges for business and fire insurance. It has nothing to do with car insurance.

Q. And line 26, Wages.

A. That wages, $14,090.18, is what's on that form that you had before, the 1099 form. And it shows on the front on item seven on the front of Exhibit-B, 1040, it shows $1,499.18, which says 1099 form. And that 1099 form I think the judge made that Exhibit-A back in March, because she had that. But there was nothing that coincides with that. So that's the money that's taken out, be it at the end of the month, sometimes maybe $100, $150, whatever is there to be able to be taken out. On the end of the year I add up all the checks of what was taken out.

MS. SANKAR: Your Honor, I don't have any other questions.

THE COURT: Okay. Now, I think part of the issue was -- somehow

I'm not showing that I had an exhibit with that document, but I do remember having the document. In fact, I have a copy in front of me.

MS. BUCKNER: You said to make that Exhibit-A, because that was in question four. I had sent a year, 1999.

THE COURT: Okay. I'm with you.

MS. BUCKNER: You said that would be A, and everything continuing that I would send to verify where that amount came from --

THE COURT: And this is Exhibit-B.

MS. BUCKNER: Exhibit-B is Schedule C, tax form.

THE COURT: Now, I think that the reason that you're sending this in is because you want them to recalculate and give you the cap rate for -- for what year is it, 2000 and 2001?

MS. BUCKNER: Yes.

THE COURT: And, PECO, are you willing to do that at this point? Does this exhibit persuade you, or should we have testimony from Mr. Costello?

MS. SANKAR: We would like to give testimony.

THE COURT: Okay. I'm not sure if I said this or not. Ms. Buckner was already under oath. I did not reswear her, and the same is true for Mr. Costello.

So, Mr. Costello, do you want to go ahead, or Ms. Sankar, proceed with Mr. Costello.

MS. SANKAR: Yes.

* * *

DIRECT EXAMINATION

* * *

BY MS. SANKAR:

A. Mr. Costello, can you look at the exhibit that was sent, PECO Exhibit-1.

MS. SANKAR: Your Honor, we

did send an updated statement.

THE COURT: I do have that. Do you have it, Ms. Buckner?

MS. BUCKNER: Yes, I do.

MS. SANKAR: Dated September 10th.

THE COURT: Yes, ma'am, I have that.

BY MS. SANKAR:

Q. Mr. Costello, are there any updates to this statement?

A. Yes. This exhibit is an updated statement from the last hearing in March. However, right now what it's showing is a final balance of $2,447.90, is the open balance on the account. Since the account statement has been prepared one more bill has been rendered. The current balance at this time is $2,502.49.

THE COURT: Say that again.

THE WITNESS: $2,502.49.

THE COURT: And that bill was dated when?

THE WITNESS: September

2003.

THE COURT: What date? You have August 15th.

THE WITNESS: The date showing on the statement is August 15th. That bill with the new statement is actually billed up to September 16th of 2003.

THE COURT: And my request is to call this PECO-1-A, because we already have a PECO-1.

MS. SANKAR: Yes.

THE COURT: So we'll mark this as PECO-1-A.

Do you have anything else you want to point out on this?

MS. SANKAR: No, your Honor.

THE COURT: Okay. Do you have any objection to my admitting this, Ms. Buckner?

MS. BUCKNER: I don't know what that has to do with 2000 and 2001.

THE COURT: I'm not sure

that it is directly relevant. It's just a correction to the previous statement.

MS. BUCKNER: You can see that if he said there was $2,447.90 and the difference would be $54.59, which our electric is. Which means that they were, like, double billing it back in the end of '99, 2000.

THE COURT: Hold on a minute. Ms. Buckner, stop. This is not time for you to testify. I just asked if you had any objection to this exhibit.

MS. BUCKNER: I don't know the Necessity of it.

THE COURT: So she's objecting on the grounds of relevance, Ms. Sankar, because it doesn't relate to the time of the complaint.

What is your response?

MS. SANKAR: Your Honor, PECO provides a customer account statement as a full picture of their account and their account history.

THE COURT: So you're not saying this is related to the time period in question?

MS. SANKAR: No, it's not.

THE COURT: Okay.

MS. SANKAR: We are required to provide the customer's account statement for the relevant period to the present.

THE COURT: Well, you already provided the account statement for the relevant period, didn't you? That's PECO-1.

MS. SANKAR: I've always assumed it's up from the relevant time period to the present.

THE COURT: To me it would relate back to that time period, because these amounts here must be based on PECO-1. So I'm going to admit it, because it's a continuation of that. I grant you that it's not necessarily relevant to that time period, but it grows out of that time period. So we're admitting that.

Did you have other testimony, Mr. Costello?

MS. SANKAR: Yes. I would like to refer to complainant's Exhibit-C.

THE COURT: I have it.

BY MS. SANKAR:

Q. Mr. Costello, can you explain how PECO calculates the cap rate eligibility for Ms. Buckner's account?

A. Yes. Cap rate eligibility is based on gross income. I believe looking at this exhibit the way it was calculated was to add the $11,164.82 plus the wages of, I guess, Exhibit-A, $1,544.99. Because what we were looking at was the gross income for the business as well as, the way this appears, either one or both of the Buckners are employees of the business. So it was calculated on $11,164.82 plus the $1,544.99 would be the gross income for the year divided by 12. And from that point it would put the Buckners for this period of time at a level two, which would be the 25 percent discount for that period of time as opposed to the 50 percent discount. That's how the 25 percent discount on the cap charges were calculated for that year.

THE COURT: Does that conclude your questioning, Ms. Sankar?

MS. SANKAR: Yes, it does.

THE COURT: I have at least one question, and then I'm sure Ms. Buckner has some.

The $1,544.99 is actually part of the amounts shown on page three, right?

THE WITNESS: It's part of the $11,164.

THE COURT: Yes. Their wages are based on their profit. It's taken out of the profit, as I understand it.

THE WITNESS: I believe you may be right. I believe that's how it was calculated at the time, though. I see what you're saying.

THE COURT: $1,490.18, line 26 is the same as line seven. So -- and then $1,554.81, that's the very last amount on the third page. It seems to me you're double counting there, or somebody was double counting there. Would you agree with that?

THE WITNESS: You may be right.

THE COURT: So then if you didn't add those two, you would have $11,164.82 divided by 12.

THE WITNESS: Correct.

THE COURT: And that would produce $930.33. And would that entitle them -- is that a level one income then as opposed to level two?

THE WITNESS: With two people, yes, it would, your Honor.

THE COURT: Okay. So would PECO be willing to recalculate the cap rate for those years as a level one as opposed to a level two?

THE WITNESS: I can look at it for that year, your Honor, yes.

THE COURT: So that would be for the year of --

THE WITNESS: '99.

MS. BUCKNER: No. It's 2000 and part of 2001. I think there are 18 months involved.

THE COURT: This was the basis for the cap rate in 1999; is that correct?

MS. BUCKNER: Right.

THE COURT: I'm asking Mr. Costello.

THE WITNESS: If this was the income that was '99, it would be calculated for the months of '99, which would be November and December.

THE COURT: November and December only?

THE WITNESS: I believe the complaint starts in November of '99 and April of 2001.

THE COURT: From your point

of view this would only affect the two months in 1999?

THE WITNESS: At this point that's what I'm thinking. I would be happy to review the whole situation in depth, relook at it in consideration of this calculation. But at this point, I'm believing this information is for 1999, and the complaint was from November '99 on. So we would look at November and December.

THE COURT: Okay. Thank you for that statement. Ms. Buckner, do you have questions?

MS. BUCKNER: Yes.

* * *

CROSS-EXAMINATION

* * *

BY MS. BUCKNER:

Q. How about the year of 2000? That's the year when everything started going up, and they used the '99 tax to figure that. And 2000 was lower yet. And I think you had the 2000 1099 last time.

A. We do.

Q. You do have that as well.

A. Yes.

THE COURT: So your question is what? Your question is, are they going to recalculate the cap rate as level one for those two years also?

MS. BUCKNER: No. I'm not saying years. '99 was two months. It was November and December that was wrong. 2000 was the whole year, 12 months, and I guess you went to April or May in 2001. And they have those taxes to verify everything.

THE COURT: And he agrees that they do have those taxes, but I don't know that he's agreed to recalculate it as a level one.

Are you, or are you just willing to look it over and see?

THE WITNESS: I'm willing to look it over. I don't want to commit at this point. I want to see how the calculations were done at that time and see if an error was made there.

THE COURT: I can appreciate that. I'm not sure where that leaves us at this point. I think we've completed taking testimony for today, but I don't want to close the record until we hear what Mr. Costello's conclusion is going to be. And I would like to avoid having to have another hearing.

So, Ms. Sankar, would -- maybe -- we'll have to have another hearing. How could we arrange to get Mr. Costello's results?

MS. SANKAR: Why don't I provide his results in writing. Can I get two weeks for that?

THE COURT: Surely.

MS. SANKAR: And then from there Ms. Buckner can let us know whether she objects.

MS. BUCKNER: Okay.

THE COURT: So you're going to provide his calculations or his response in two weeks to me and Ms. Buckner, right? And you'll have it set up in the form of an exhibit that can be admitted.

MS. SANKAR: Yes.

THE COURT: And when Ms. Buckner gets them, you and she will talk; is that correct?

MS. BUCKNER: Yes.

MS. SANKAR: Yes.

THE COURT: And as a result of that someone will let me know whether we need to have a further hearing?

MS. SANKAR: I will let you know.

THE COURT: Because it seems to me that it's possible that we can just admit that as an exhibit without a further hearing. But if we need one, we'll certainly have one. So I'm not going to close the record again. And yes, to avoid any further confusion, please notify me in writing, Ms. Sankar. And I'll see if I can stay on track with PECO's position that way. All right?

MS. SANKAR: Yes.

THE COURT: So we can adjourn for the day, but the record will not be closed. And I will hear from somebody, presumably Ms. Sankar, in two weeks.

MS. SANKAR: Yes. That would be October 7th -- by October 7th.

THE COURT: Okay. I look forward to that.

MS. SANKAR: Thank you, your Honor. Thank you, Mr. Costello, and thank you, Ms. Buckner.

This is further on the record comments by Judge Turner at docket Z-01196423, Doris A. Buckner versus PECO Energy.

We discussed Buckner Exhibit-B today. Ms. Buckner testified about it, and PECO had questions on it. And I fear it was not moved into evidence, and I am now admitting Exhibit-B into evidence, as we had admitted PECO-1-A.

(Whereupon, hearing was adjourned.)

C E R T I F I C A T I O N

I, DONNA O'CONNOR, hereby certify that the foregoing is a true and correct transcript of the proceedings held in this matter, as transcribed from the stenographic notes taken by me on Tuesday, September 23, 2003.

DONNA O'CONNOR

(This certification does not apply to any reproduction of this transcript, unless under the direct supervision of the certifying reporter.)

ACCOUNT STATEMENT

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OCT 27 2003

PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

Prepared by: A J Costello

DOCUMENT FOLDER

CUSTOMER NAME: John F Buckner
ADDRESS: 1230 Hall Av.
Roslyn, PA 19001

ACCOUNT NUMBER: 40-11-14-365513

DOCKET NUMBER: Z-011964233

RATE: Residential Electric CAP Rate
Residential Gas Heat CAP Rate

Page 1

Bill Period	Days	Meter Reading – Type	Usage	Daily Avg Use	PECO Bill Amt / Budget + Agmt	Supp Chg.	Sales Tax	Amount Reqstd	Due Date	Late Chg.	Payment	Date Pymt Rec'd	Balance	Comments
01/16/03	31	6509 - R 679 - R	596 207	19.2 6.6	48.73 118.38 /107.00 + 15.00			122.00	02/11/03		121.00	01/07/03	2,786.52	BM 50
02/14/03	29	7057 - R 943 - R	548 264	18.8 9.1	42.47 148.98 /107.00 + 15.00			122.00	03/11/03		122.00	02/04/03	2,855.97	BM 50
03/17/03	31	7634 - R 1167 - R	577 224	18.6 7.2	46.20 145.43 /107.00 + 15.00			122.00	04/09/03		122.00	03/11/03	2,925.60	BM 50
04/15/03	29	8125 - R 1283 - R	491 116	16.9 4.0	35.73 86.42 /107.00 + 15.00			122.00	05/08/03		122.00	04/11/03	2,925.75	BM 50
05/15/03	30	8591 - R 1336 - R	466 53	15.5 1.7	34.18 43.38 /124.00 + 15.00			139.00	06/09/03		122.00	05/12/03	2,881.31	BM 50
06/16/03	32	9062 - R 1376 - R	471 40	14.7 1.2	34.49 35.48 /124.00 + 15.00			139.00	07/09/03		*625.00	06/11/03	2,326.28	*LIHEAP Cash Grant BM 50
07/16/03	30	9459 - R 1400 - R	397 24	13.2 0.8	29.88 24.74 /124.00 + 15.00			278.00	08/11/03				2,380.90	BM 52
08/15/03	30	9994 - R 1426 - R	535 26	17.8 0.8	40.80 26.20 + 15.00			396.40	09/09/03				2,447.90	

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OCT 30 2003

Z-01196423

Reading Type Codes: A – Actual E – Estimated C – Customer R – Remote

9/23/03 PECO-1A pg 1 of 1
initial tel hrg

2-01196423 9/23/03 Exhibit "B"

Form **1040** Department of the Treasury—Internal Revenue Service
U.S. Individual Income Tax Return 1999

(10) IRS Use Only—Do not write or staple in this space.

For the year Jan. 1–Dec. 31, 1999, or other tax year beginning , 1999, ending , 20 OMB No. 1545-0074

Label (See instructions on page 18.) Use the IRS label. Otherwise, please print or type.

LABEL HERE		
Your first name and initial: JOHN F	Last name: BUCKNER	Your social security number: [redacted]
If a joint return, spouse's first name and initial: DORIS A	Last name: BUCKNER	Spouse's social security number: [redacted]
Home address (number and street). If you have a P.O. box, see page 18.: 1230 Hall Avenue	Apt. no.	▲ IMPORTANT! ▲ You must enter your SSN(s) above.
City, town or post office, state, and ZIP code. If you have a foreign address, see page 18.: ROSLYN, PENNSYLVANIA 19001		

Presidential Election Campaign (See page 18.)

	Yes	No	
Do you want $3 to go to this fund?		X	Note. Checking "Yes" will not change your tax or reduce your refund.
If a joint return, does your spouse want $3 to go to this fund?		X	

Filing Status

Check only one box.

1 [ ] Single
2 [X] Married filing joint return (even if only one had income)
3 [ ] Married filing separate return. Enter spouse's social security no. above and full name here. ▶
4 [ ] Head of household (with qualifying person). (See page 18.) If the qualifying person is a child but not your dependent, enter this child's name here. ▶
5 [ ] Qualifying widow(er) with dependent child (year spouse died ▶ 19). (See page 18.)

Exemptions

6a [X] **Yourself.** If your parent (or someone else) can claim you as a dependent on his or her tax return, **do not** check box 6a.
b [X] **Spouse**

No. of boxes checked on 6a and 6b: 2

c **Dependents:**

(1) First name Last name	(2) Dependent's social security number	(3) Dependent's relationship to you	(4) ✓ if qualifying child for child tax credit (see page 19)
			[ ]
			[ ]
			[ ]
			[ ]
			[ ]
			[ ]

If more than six dependents, see page 19.

No. of your children on 6c who:
• lived with you
• did not live with you due to divorce or separation (see page 19)
Dependents on 6c not entered above

d Total number of exemptions claimed

Add numbers entered on lines above ▶ 2

Income

Attach Copy B of your Forms W-2 and W-2G here. Also attach Form(s) 1099-R if tax was withheld.

If you did not get a W-2, see page 20.

Enclose, but do not staple, any payment. Also, please use Form 1040-V.

7	Wages, salaries, tips, etc. Attach Form(s) W-2 1099	7	$1,490.18
8a	**Taxable** interest. Attach Schedule B if required	8a	
b	**Tax-exempt** interest. DO NOT include on line 8a . . . 8b		
9	Ordinary dividends. Attach Schedule B if required	9	
10	Taxable refunds, credits, or offsets of state and local income taxes (see page 21)	10	
11	Alimony received	11	
12	Business income or (loss). Attach Schedule C or C-EZ	12	54.81
13	Capital gain or (loss). Attach Schedule D if required. If not required, check here ▶ [ ]	13	
14	Other gains or (losses). Attach Form 4797	14	
15a	Total IRA distributions . 15a — b Taxable amount (see page 22)	15b	
16a	Total pensions and annuities 16a — b Taxable amount (see page 22)	16b	
17	Rental real estate, royalties, partnerships, S corporations, trusts, etc. Attach Schedule E	17	
18	Farm income or (loss). Attach Schedule F	18	
19	Unemployment compensation	19	
20a	Social security benefits . 20a — b Taxable amount (see page 24)	20b	
21	Other income. List type and amount (see page 24)	21	
22	Add the amounts in the far right column for lines 7 through 21. This is your **total income** ▶	22	$1,544.99

Adjusted Gross Income

23	IRA deduction (see page 26)	23			
24	Student loan interest deduction (see page 26)	24			
25	Medical savings account deduction. Attach Form 8853	25			
26	Moving expenses. Attach Form 3903	26			
27	One-half of self-employment tax. Attach Schedule SE	27			
28	Self-employed health insurance deduction (see page 28)	28			
29	Keogh and self-employed SEP and SIMPLE plans	29			
30	Penalty on early withdrawal of savings	30			
31a	Alimony paid b Recipient's SSN ▶	31a			
32	Add lines 23 through 31a			32	
33	Subtract line 32 from line 22. This is your **adjusted gross income** ▶			33	$1,544.99

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For Disclosure, Privacy Act, and Paperwork Reduction Act Notice, see page 54. Cat. No. 11320B Form **1040** (1999)

Tax and Credits

34 Amount from line 33 (adjusted gross income) . . . . . 34 (1,544.[illegible])

35a Check if: ☐ You were 65 or older, ☐ Blind; ☐ Spouse was 65 or older, ☐ Blind.
Add the number of boxes checked above and enter the total here . . . ▶ 35a

b If you are married filing separately and your spouse itemizes deductions or you were a dual-status alien, see page 30 and check here . . . ▶ 35b ☐

Standard Deduction for Most People
Single: $4,300
Head of household: $6,350
Married filing jointly or Qualifying widow(er): $7,200
Married filing separately: $3,600

36 Enter your **itemized deductions** from Schedule A, line 28, **OR standard deduction** shown on the left. But see page 30 to find your standard deduction if you checked any box on line 35a or 35b or if someone can claim you as a dependent . . . 36 ~~$8,800.00~~ [illegible]

37 Subtract line 36 from line 34 . . . 37 (7,355.00)

38 If line 34 is $94,975 or less, multiply $2,750 by the total number of exemptions claimed on line 6d. If line 34 is over $94,975, see the worksheet on page 31 for the amount to enter . . . 38 5,500.00

39 **Taxable income.** Subtract line 38 from line 37. If line 38 is more than line 37, enter -0- . . . 39 -0-

40 Tax (see page 31). Check if any tax is from a ☐ Form(s) 8814 b ☐ Form 4972 . . . ▶ 40 -0-

41 Credit for child and dependent care expenses. Attach Form 2441 . . . 41

42 Credit for the elderly or the disabled. Attach Schedule R . . . 42

43 Child tax credit (see page 33) . . . 43

44 Education credits. Attach Form 8863 . . . 44

45 Adoption credit. Attach Form 8839 . . . 45

46 Foreign tax credit. Attach Form 1116 if required . . . 46

47 Other. Check if from a ☐ Form 3800 b ☐ Form 8396 c ☐ Form 8801 d ☐ Form (specify) ______ 47

48 Add lines 41 through 47. These are your **total credits** . . . 48

49 Subtract line 48 from line 40. If line 48 is more than line 40, enter -0- . . . ▶ 49 -0-

Other Taxes

50 Self-employment tax. Attach Schedule SE . . . 50

51 Alternative minimum tax. Attach Form 6251 . . . 51

52 Social security and Medicare tax on tip income not reported to employer. Attach Form 4137 . . . 52

53 Tax on IRAs, other retirement plans, and MSAs. Attach Form 5329 if required . . . 53

54 Advance earned income credit payments from Form(s) W-2 . . . 54

55 Household employment taxes. Attach Schedule H . . . 55

56 Add lines 49 through 55. This is your **total tax** . . . ▶ 56 -0-

Payments

57 Federal income tax withheld from Forms W-2 and 1099 . . . 57

58 1999 estimated tax payments and amount applied from 1998 return . . . 58

59a Earned income credit. Attach Sch. EIC if you have a qualifying child
b Nontaxable earned income: amount ▶ ______ and type ▶ ______ . . . 59a 117.00

60 Additional child tax credit. Attach Form 8812 . . . 60

61 Amount paid with request for extension to file (see page 48) . . . 61

62 Excess social security and RRTA tax withheld (see page 48) . . . 62

63 Other payments. Check if from a ☐ Form 2439 b ☐ Form 4136 . . . 63

64 Add lines 57, 58, 59a, and 60 through 63. These are your **total payments** . . . ▶ 64 117.00

Refund

65 If line 64 is more than line 56, subtract line 56 from line 64. This is the amount you **OVERPAID** . . . 65 117.00

66a Amount of line 65 you want **REFUNDED TO YOU** . . . ▶ 66a $117.00

Have it directly deposited! See page 48 and fill in 66b, 66c, and 66d.
▶ b Routing number ______ ▶ c Type: ☐ Checking ☐ Savings
▶ d Account number ______

67 Amount of line 65 you want **APPLIED TO YOUR 2000 ESTIMATED TAX** ▶ 67

Amount You Owe

68 If line 56 is more than line 64, subtract line 64 from line 56. This is the **AMOUNT YOU OWE**. For details on how to pay, see page 49 . . . ▶ 68

69 Estimated tax penalty. Also include on line 68 . . . 69

Sign Here

Joint return? See page 18. Keep a copy for your records.

Under penalties of perjury, I declare that I have examined this return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

Your signature	Date	Your occupation	Daytime telephone number (optional)
[signature]	4-14-2000	Printer	215 [illegible]-7770
Spouse's signature. If a joint return, BOTH must sign.	**Date**	**Spouse's occupation**	
[signature]	4-14-2000	Printer	

Paid Preparer's Use Only

Preparer's signature ▶ | Date | Check if self-employed ☐ | Preparer's SSN or PTIN

Firm's name (or yours if self-employed) and address ▶ | EIN | ZIP code

SCHEDULE C (Form 1040)

Department of the Treasury Internal Revenue Service (10)

Profit or Loss From Business
(Sole Proprietorship)

▶ Partnerships, joint ventures, etc., must file Form 1065 or Form 1065-B.

▶ Attach to Form 1040 or Form 1041. ▶ See Instructions for Schedule C (Form 1040).

OMB No. 1545-0074

1999

Attachment Sequence No. 09

Name of proprietor: JOHN F. BUCKNER

Social security number (SSN): [redacted]

A Principal business or profession, including product or service (see page C-1): OFFSET PRINTING

B Enter code from pages C-8 & 9 ▶ 3 2 3 1 0 0

C Business name. If no separate business name, leave blank.: BUCCANEER PRINTING

D Employer ID number (EIN), if any: 23-2068173

E Business address (including suite or room no.) ▶ 2758 Mount Carmel Avenue
City, town or post office, state, and ZIP code: GLENSIDE, PA 19038-2315

F Accounting method: (1) ☒ Cash (2) ☐ Accrual (3) ☐ Other (specify) ▶

G Did you "materially participate" in the operation of this business during 1999? If "No," see page C-2 for limit on losses . ☒ Yes ☐ No

H If you started or acquired this business during 1999, check here ▶ ☐

Part I Income

1	Gross receipts or sales. **Caution:** *If this income was reported to you on Form W-2 and the "Statutory employee" box on that form was checked, see page C-2 and check here* ▶ ☐	1	$16,699.00
2	Returns and allowances	2	---0--
3	Subtract line 2 from line 1	3	$16,699.00
4	Cost of goods sold (from line 42 on page 2)	4	5,534.18
5	**Gross profit.** Subtract line 4 from line 3	5	$11,164.82
6	Other income, including Federal and state gasoline or fuel tax credit or refund (see page C-3)	6	---0--
7	GrossProfit Add lines 5 and 6 ▶	7	$11,164.82

Part II Expenses. Enter expenses for business use of your home only on line 30.

8	Advertising	8	366.40	19	Pension and profit-sharing plans	19	---0--
9	Bad debts from sales or services (see page C-3)	9	---0--	20	Rent or lease (see page C-4):		
					a Vehicles, machinery, and equipment	20a	475.00
10	Car and truck expenses (see page C-3)	10	---0--		b Other business property	20b	4,236.00
				21	Repairs and maintenance	21	864.56
11	Commissions and fees	11	---0--	22	Supplies (not included in Part III)	22	---0--
12	Depletion	12	---0--	23	Taxes and licenses	23	24.00
13	Depreciation and section 179 expense deduction (not included in Part III) (see page C-3)	13	---0--	24	Travel, meals, and entertainment:		
					a Travel	24a	1,124.40
					b Meals and entertainment ---0---		
14	Employee benefit programs (other than on line 19)	14	---0--		c Enter nondeductible amount included on line 24b (see page C-5)		
15	Insurance (other than health)	15	464.90		d Subtract line 24c from line 24b	24d	---0--
16	Interest:						
	a Mortgage (paid to banks, etc.)	16a	---0--	25	Utilities	25	1,010.97
	b Other	16b	689.86	26	Wages (less employment credits)	26	1,490.18
17	Legal and professional services	17	---0--	27	Other expenses (from line 48 on page 2)	27	211.70
18	Office expense	18	152.04				

28	**Total expenses** before expenses for business use of home. Add lines 8 through 27 in columns ▶	28	11,110.01
29	Tentative profit (loss). Subtract line 28 from line 7	29	$54.81
30	Expenses for business use of your home. Attach Form 8829	30	---0---
31	**Net profit or (loss).** Subtract line 30 from line 29. • If a profit, enter on **Form 1040, line 12,** and ALSO on **Schedule SE, line 2** (statutory employees, see page C-6). Estates and trusts, enter on Form 1041, line 3. • If a loss, you MUST go on to line 32.	31	$54.81

32 If you have a loss, check the box that describes your investment in this activity (see page C-6).
- If you checked 32a, enter the loss on **Form 1040, line 12,** and ALSO on **Schedule SE, line 2** (statutory employees, see page C-6). Estates and trusts, enter on Form 1041, line 3.
- If you checked 32b, you MUST attach **Form 6198.**

32a ☐ All investment is at risk.
32b ☐ Some investment is not at risk.

Part III **Cost of Goods Sold** (see page C-6)

33 Method(s) used to value closing inventory: a ☒ Cost b ☐ Lower of cost or market c ☐ Other (attach explanation)

34 Was there any change in determining quantities, costs, or valuations between opening and closing inventory? If "Yes," attach explanation . . . ☐ Yes ☒ No

35	Inventory at beginning of year. If different from last year's closing inventory, attach explanation	35	$2,300.00
36	Purchases less cost of items withdrawn for personal use	36	-0-
37	Cost of labor. Do not include any amounts paid to yourself	37	0
38	Materials and supplies	38	$5,534.18
39	Other costs	39	-0-
40	Add lines 35 through 39	40	$7,834.18
41	Inventory at end of year	41	$2,300.00
42	**Cost of goods sold.** Subtract line 41 from line 40. Enter the result here and on page 1, line 4	42	$5,534.18

Part IV **Information on Your Vehicle.** Complete this part **ONLY** if you are claiming car or truck expenses on line 10 and are not required to file Form 4562 for this business. See the instructions for line 13 on page C-3 to find out if you must file.

43 When did you place your vehicle in service for business purposes? (month, day, year) ▶ / /

44 Of the total number of miles you drove your vehicle during 1999, enter the number of miles you used your vehicle for:

a Business b Commuting c Other

45 Do you (or your spouse) have another vehicle available for personal use? ☐ Yes ☐ No

46 Was your vehicle available for use during off-duty hours? ☐ Yes ☐ No

47a Do you have evidence to support your deduction? ☐ Yes ☐ No

b If "Yes," is the evidence written? ☐ Yes ☐ No

Part V **Other Expenses.** List below business expenses not included on lines 8–26 or line 30.

BOOK		15.35
DUES		45.00
POSTAGE & SHIPPING		151.35
48 **Total other expenses.** Enter here and on page 1, line 27	48	$211.70